

RECEIVED
CENTRAL FAX CENTER

CERTIFICATE OF TRANSMISSION

JAN 11 2007

Date of Transmission: 11 January 2007

I hereby certify that the following correspondence is being facsimile transmitted to the attention of the Director of the US Patent and Trademark Office on the above date via the following facsimile number: 571-273-8300.

Fee Transmittal Form (PTO/SB/17) (1 sheet)

Credit Card Payment Form (PTO-2038) (1 sheet)

Reply Brief (16 sheets)

Application Number 09/650,733
Confirmation No.: 2432
Filing Date: 30 August 2000
Document Submission Date: 11 January 2007

Docket: 1011-002

Art Unit: 3628
Examiner: Borlinghaus, Jason M.
Inventor: Pilato, Alejandro M.

Pages: 19

11 Jan 2007

Date

Eden Brown

Name of Certifier



Signature of Certifier

RECEIVED
CENTRAL FAX CENTER

Under the Paperwork Reduction Act of 1995, no person is required to respond to a collection of information unless it displays a valid OMB control number.

Effective on 12/08/2004.

Fees pursuant to the Consolidated Appropriations Act, 2005 (H.R. 4818).

**FEE TRANSMITTAL
For FY 2005** Applicant claims small entity status. See 37 CFR 1.27

TOTAL AMOUNT OF PAYMENT (\$)

250.00

Complete if Known

Application Number	09/650,733
Filing Date	30 August 2000
First Named Inventor	Pilato, Alejandro M.
Examiner Name	Borlinghaus, Jason M.
Art Unit	3828
Attorney Docket No.	1011-002

JAN 11 2007

METHOD OF PAYMENT (check all that apply)

Check Credit Card Money Order Nonc Other (please identify): _____

Deposit Account Deposit Account Number: 50-2504 Deposit Account Name: Michael N. Haynes

For the above-identified deposit account, the Director is hereby authorized to: (check all that apply)

Charge fee(s) indicated below Charge fee(s) indicated below, except for the filing fee

Charge any additional fee(s) or underpayments of fee(s) under 37 CFR 1.16 and 1.17 Credit any overpayments

WARNING: Information on this form may become public. Credit card information should not be included on this form. Provide credit card information and authorization on PTO-2038.

FEE CALCULATION**1. BASIC FILING, SEARCH, AND EXAMINATION FEES**

Application Type	FILING FEES		SEARCH FEES		EXAMINATION FEES		Fee Paid (\$)
	Fee (\$)	Small Entity	Fee (\$)	Small Entity	Fee (\$)	Small Entity	
Utility	300	150	500	250	200	100	0
Design	200	100	100	50	130	65	
Plant	200	100	300	150	160	80	
Reissue	300	150	500	250	600	300	
Provisional	200	100	0	0	0	0	

2. EXCESS CLAIM FEES**Fee Description**

Each claim over 20 or, for Reissues, each claim over 20 and more than in the original patent

Each independent claim over 3 or, for Reissues, each independent claim more than in the original patent

Multiple dependent claims

Total Claims	Extra Claims		Fee (\$)	Fee Paid (\$)	Multiple Dependent Claims		Fee (\$)	Fee Paid (\$)
	Fee (\$)	Small Entity			Fee (\$)	Small Entity		
- 20 or HP =	0	x	25	0				
HP = highest number of total claims paid for, if greater than 20								
Indep. Claims	Extra Claims	Fee (\$)	Fee Paid (\$)					
- 3 or HP =	0	x	100	0				
HP = highest number of independent claims paid for, if greater than 3.								

3. APPLICATION SIZE FEE

If the specification and drawings exceed 100 sheets of paper, the application size fee due is \$250 (\$125 for small entity)

for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).

Total Sheets	Extra Sheets	Number of each additional 50 or fraction thereof	Fee (\$)	Fee Paid (\$)
- 100 =	/ 50 =	0	(round up to a whole number) x 125	0

4. OTHER FEE(S)

Non-English Specification \$130 fee (no small entity discount)

Other: Filing a Brief in Support of an Appeal

SUBMITTED BY

Signature	<i>Michael N. Haynes</i>	Registration No. 40,014 (Attorney/Agent)	Telephone 434-972-9988
Name (Print/Type)	Michael N. Haynes		

This collection of information is required by 37 CFR 1.136. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 30 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

RECEIVED
CENTRAL FAX CENTER PATENT
Serial No. 09/650,733
Attorney Docket No. 1011-002

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s) : Alejandro M. Pilato
Application # : 09/650,733
Confirmation # : 2432
Filed : 30 August 2000
Application Title : METHOD AND SYSTEM FOR PROVIDING FINANCIAL
FUNCTIONS
Art Unit # : 3628
Latest Examiner : Borlinghaus, Jason M.

Mail Stop Appeal Brief-Patents

Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

REPLY BRIEF

Sir:

The Applicant respectfully submits this Reply Brief in response to the Examiner's Answer of 16 November 2006 (the "Examiner's Answer"), the two month shortened statutory period for responding to which expires on 16 January 2007. The Examiner's Answer was submitted in response to the Appeal Brief filed by Applicant under 37 CFR § 41.37 on 28 October 2006 (the "Appeal Brief"). The Appeal Brief was filed in response to the Office Action of 3 July 2006 finally rejecting each of the pending claims 1-139, all of which claims have been twice rejected.

01/12/2007 TL0111 00000018 09650733

01 FC:2402

250.00 0P

PATENT
Serial No. 09/650,733
Attorney Docket No. 1011-002

ARGUMENTS

This Reply Brief incorporates by reference the entirety of the Appeal Brief, and offers the following in reply to the Examiner's Answer.

A. Preliminary Argument

The Examiner's Answer asserts at Page 27:

[a]s a preliminary matter, examiner asserts that there are numerous and repeated instances within the Appeal Brief in which the examiner believes that the appellant has either misinterpreted, misread and/or misapplied case law, statutes and/or prior art references.

Applicant respectfully traverses this general assertion as both factually and legally erroneous. Each argument presented by Appellant in the Appeal Brief references and relies upon properly cited, properly interpreted, and valid law. Appellant further believes that the prior art references are properly interpreted and applied in the Appeal Brief.

B. Lexicography

Regarding claim construction, and in particular regarding interpretation of the claimed phrase "financial risk management function", the Examiner's Answer asserts at Page 27:

Appellant asserts three places where he implicitly defined financial risk management function.

- "[t]he present invention relates to the field of financial risk management and trading, and, more particularly, to a method and system for clients to outsource financial functions to an agent." (see specification, p. 1, lines 5 - 7);
- "[t]ypical financial functions are treasury, credit management, risk management, and trading, together with several of their associated sub-functions." (see specification, p. 2, lines 16 - 17); and
- "[t]he activities that make up these financial functions are the relevant daily

PATENT

Serial No. 09/650,733

Attorney Docket No. 1011-002

operations of the front-office trading departments and the associated middle-office risk management and back-office support departments.” (see specification, p. 3, lines 1 - 3).

None of these three cited passages define “financial risk management function” nor even mention the term “financial risk management function.” While appellants may be their own lexicographer, any special meaning assigned to a term “must be sufficiently clear in the specification that any departure from common usage would be so understood by a person of experience in the field of the invention.” See *Multiform Desiccants Inc. v. Medzam Ltd.*, 133 F3d 1473, 1477, 45 USPQ2d 1429, 1432 (Fed. Cir. 1998). As examiner is unable to comprehend how these three passages, when combined, formulate a special definition for the term “financial risk management function,” examiner must assert that appellant’s attempt to re-define the term is not “sufficiently clear.” Without a “sufficiently clear” departure from common usage, examiner utilized the common and ordinary definition for said term - the performance of financial risk management.

Appellant respectfully traverses this assertion as legally and factually erroneous. The Appeal Brief presented the proper legal standard for claim construction at section VII.A.1. The legal standard for claim construction was established in *Phillips v. AWH Corp.*, 415 F.3d 1303, 75 USPQ2d 1321 (Fed. Cir. 2005) (*en banc*), cert. denied, 2006 U.S. LEXIS 1154 (U.S. Feb. 21, 2006). Appellant respectfully submits that as an *en banc* case, *Phillips* supersedes and/or overrules prior panel cases that are not consistent therewith. As such, Appellant respectfully submits that the case and holding of *Multiform Desiccants Inc. v. Medzam Ltd.*, 133 F3d 1473, 1477, 45 USPQ2d 1429, 1432 (Fed. Cir. 1998), which is relied upon by the Examiner’s Answer, is no longer valid law regarding claim construction to the extent that it is in conflict with *Phillips*. Appellant respectfully submits that the relied upon portion of *Multiform Desiccants Inc.*, i.e., that any special meaning assigned to a term “must be sufficiently clear in the specification that any departure from common usage would be so understood by a person of experience in the field of the invention” is not consistent with *Phillips*, which states, even “when guidance is not provided in explicit definitional format, the specification may define claim terms by implication such that the meaning may be found in or ascertained by a reading of the patent documents” (*Phillips*

PATENT

Serial No. 09/650,733

Attorney Docket No. 1011-002

v. *AWH Corp.*, 415 F.3d at 1321). For at least this reason, Appellant respectfully submits that the argument from the Examiner's Answer is legally erroneous and, thus, without merit.

Moreover, Appellant respectfully submits that the assertion that "examiner is unable to comprehend how these three passages, when combined, formulate a special definition for the term 'financial risk management function,'" incorporates a legally erroneous standard for claim construction. As stated in *Phillips*, "the ordinary and customary meaning of a claim term is "the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application" (*Id.* at 1313). Neither the Examiner's Answer nor any Office Action heretofore presented regarding the claimed subject matter provides any evidence whatsoever that the claim construction utilized in rejecting the claims for the claimed phrase "financial risk management function" is "the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application". Since no such evidence is presented, Appellant respectfully submits that the Examiner's Answer is insufficient to overcome Appellants traversals regarding the rejections of each of claims 1-139.

The Examiner's Answer states, at Page 29:

McMenamin, the primary prior art reference, discloses a financial management process which entails "an identification of any particular financial problems, risks, constraints or limitations; and an assessment of financial Strengths, Weaknesses, Opportunities and Threats" (emphasis added - see McMenamin, p. 15) and "The financial manager will be intimately involved in the financial evaluation and assessment of the options presented, in determining their respective costs, benefits and risks" (emphasis added - McMenamin, see p. 16). Examiner asserts that such disclosures by McMenamin are the performance of a financial risk management function, in that financial risk management is a component of the greater financial decision-making process and/or financial management process.

Appellant respectfully traverses this assertion of the present Examiner's Answer as failing to comply with the requirements of *Phillips* to examine the claimed phrase "financial risk management function" according to "the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date

PATENT

Serial No. 09/650,733

Attorney Docket No. 1011-002

of the patent application".

C. Arguments Regarding the Final Office Action of 3 July 2006

The Examiner's Answer asserts at Pages 29-32:

Regarding examiner's arguments from Final Office Action mailed on 7/3/06, examiner will attempt to clarify. Examiner's first Office Action on the merits mailed on 1/13/06 addressed appellant's claims that were filed at that time. Claims at that time did not contain claim language consisting of the term "financial risk management function." The term utilized in the claim was the extremely broad term of "financial function."

However, Appellant's Response filed 4/11/06 contained numerous arguments that examiner did not utilize appellant's implicit definition of "financial risk management function." Such claim language had only just been added to the amended claims submitted on 4/11/06. The closest terminology examiner could locate in the originally rejected claims to such a term was the claim language of "financial function."

Examiner was unsure why appellant was making this argument, as the previously rejected claims made no mention of the term "financial risk management function." Examiner was also unsure how the three cited passages provided any special meaning to the term "financial risk management function" as the cited passages failed to mention such term. Furthermore, if by some stretch of logic these passages did vaguely reference the broad concept of financial risk management, a contention that this examiner refutes, examiner did not see how these passages deviated from the common meaning of such term in traditional usage.

Examiner attempted to rationalize a reason for the appellant's arguments concerning the three passages and his insistence that such passages provided special meaning to the term "financial risk management function." After performing some mental gymnastics, examiner assumed that appellant's arguments consisted of re-defining "financial function" in such a manner as to pull into the claims the concept of "financial risk management function" and other assorted

PATENT

Serial No. 09/650,733

Attorney Docket No. 1011-002

limitations from the specification. Examiner interpreted appellant's arguments in the following manner. Appellant meant to state that the term "financial functions" refers to a subset of functions that exist under the banner of "financial risk management function" (see p. 1, lines 5 - 7). This is in contrast to the examiner's original interpretation, as embodied in the first Office Action on the merits, that the term "financial functions" was just a broad term for financial functions, in general. Examiner further assumed that appellant meant to define "financial functions" that comprised "financial risk management" as "treasury, credit management, risk management, and trading, together with several of their associated sub-functions" (see p. 2, lines 16 - 17), thereby reading further limitations into claim language. This is despite the fact that the appellant utilizes the phrasing "[t]ypical financial functions are" indicating that such named functions are merely illustrative examples and the exact metes and bounds of the term "financial functions" were not being explicitly defined. Additionally, appellant utilized the phrasing "together with several of their associated sub-functions" which indicated that such attempted definition, if such was the attempt, is open-ended and broadly defined as additional "associated sub-functions" exist.

Examiner assumed from the appellant's earlier arguments that appellant sought to define "financial functions" as to mean "financial risk management" (see p. 1, lines 5 - 7) and then define "financial risk management" through all the various "financial function" components discussed in the specification, (see p. 2, lines 16-17 and p. 3, lines 1 - 3).

In conclusion, examiner's earlier arguments, termed "fallacious" and "lack[ing] logical validity" by the appellant (see Appeal Brief, pp. 36 - 37), was a convoluted attempt to understand why the appellant thought that the cited passages provided some special meaning to the term "financial risk management function."

Appellant respectfully traverses these assertions of the present Office Actions as legally and factually erroneous. As stated above, *Phillips* states, "the ordinary and customary meaning of a claim term is the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application"

PATENT**Serial No. 09/650,733****Attorney Docket No. 1011-002**

(Phillips v. AWH Corp., 415 F.3d at 1313).

As an initial matter, Appellant respectfully traverses the mischaracterizations of the Office Action Reply filed on 11 April 2006 traversing claim rejections of the Office Action dated 13 January 2006. Appellant respectfully submits that the Office Action Reply filed on 11 April 2006 complied with 37 CFR 1.111.

Appellant respectfully submits that under *Phillips*, no claim rejection can be maintained wherein claim construction is based upon "mental gymnastics" or assumptions. Appellant respectfully submits that the assertions comprised in pages 29-32 of the Examiner's Answer facially admit a failure to comply with the requirements of *Phillips* that the claimed phrase "financial risk management function" be provided the "the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application". For at least this reason, Appellant respectfully requests a reversal of each rejection of each of claims 1-139.

D. Arguments Regarding Official Notice

The Examiner's Answer asserts at Page 32:

In response to the appellant's argument concerning Official Notice finding(s) in previous office action, specifically that usage of Official Notice was improper and that prior traversal of such Office Notice was adequate, examiner asserts that the Office Notice was utilized and that appellant's traversal of Official Notice was inadequate.

Appellant respectfully traverses these assertions.

The MPEP states that where "a claim is refused for any reason relating to the merits thereof it should be 'rejected' and the ground of rejection fully and clearly stated." See MPEP 707.07(d). The Examiner's Answer admits, "the phrase "Official Notice" was not utilized in the Office Action, an admitted oversight by the examiner". Appellant respectfully submits that since the reasons for the rejections of at least of claims 27-32, 34-37, 39-111, 131, and 132 was unclear, based upon this admission, that the rejections of at least each of those claims should be reversed based upon that grounds alone.

Further, because the basis for the rejections of at least claims 27-32, 34-37, 39-111, 131,

PATENT
Serial No. 09/650,733
Attorney Docket No. 1011-002

and 132 was facially unclear, Appellant respectfully made a general traversal regarding the use of Official Notice in the rejection of Appellant's claims and requested proper documentary evidence supporting any such use of Official Notice.

The Examiner's Answer asserts that Appellant's traversal of Official Notice was inadequate and provides a citation of MPEP § 2144.03 (c) in support of that contention. Appellant respectfully traverses that assertion. As an initial matter, Appellant respectfully submits that the provisions of MPEP § 2144.03 (c) apply only if a proper rejection is presented based upon Official Notice. Regarding Official Notice, MPEP § 2144.03.A states (emphasis added):

[i]t would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of **instant and unquestionable demonstration as being well-known**. For example, assertions of... specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. *In re Ahlert*, 424 F.2d at 1091, 165 USPQ at 420-21. *See also In re Grose*, 592 F.2d 1161, 1167-68, 201 USPQ 57, 63 (CCPA 1979).

Neither the Office Actions regarding Appellants claimed subject matter nor the Examiner's Answer provide any evidence that any of the "facts asserted to be well known" are "**capable of instant and unquestionable demonstration as being well-known**." Further MPEP § 2144.03.B states (emphasis added):

[i]f such notice is taken, the basis for such reasoning **must be set forth explicitly**. **The examiner must provide specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge**. *See In re Soli*, 317 F.2d 941, 946, 137 USPQ 797, 801 (CCPA 1963); *In re Chevenard*, 139 F.2d 711, 713, 60 USPQ 239, 241 (CCPA 1943). The applicant should be presented with the explicit basis on which the examiner regards the matter as subject to official notice **and be allowed to challenge the assertion** in the next reply after the Office action in which the common knowledge statement was made.

Appellant respectfully submits that the reasoning regarding Official Notice was not "set

PATENT**Serial No. 09/650,733****Attorney Docket No. 1011-002**

forth explicitly" and no evidence was provided regarding any "sound technical and scientific reasoning to support" the alleged "conclusion[s] of common knowledge". Instead, the Final Office Action and the Examiner's Answer merely provide impermissible unsupported assertions, such as:

1. "The benefits of a conflict-free agent operating in a principal-agent relationship is old and well known in the art of human resource management and principal-agent relationships." See Page 14 of Examiner's Answer regarding claim 27.
2. "Establishing the scope and/or authority of an agent in a principal-agent relationship is old and well known in the art of principal-agent relationships and agency law." See Page 15 of Examiner's Answer regarding claim 28.
3. "It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow and/or contract for any response to the agents' recommendations/instructions that the inventor desired, such as agreement with or disregarding of agents' recommendations/instructions." See Page 15 of Examiner's Answer regarding claims 29 and 30.
4. "Said actions are old and well known in the art of business transactions and financial management." See Page 16 of Examiner's Answer regarding claims 31-32 and 34-37.
5. "Said financial information sources are old and well known in the art of financial analysis and strategic planning." See Page 18 of Examiner's Answer regarding claims 39-46.
6. "Said financial functions, either as a manual function, utilizing pen and paper, a mental function, performing mental computations within the head of a person, or as a computerized function, are old and well known in the arts of financial management and accounting management." See Page 20 of Examiner's Answer regarding claims 47-55 and 66-95.
7. "Said assets and liabilities, and their use in asset and liability management, are old and well known in the arts of financial management and accounting management." See Page 21 of Examiner's Answer regarding claims 56-65.

PATENT

Serial No. 09/650,733

Attorney Docket No. 1011-002

8. "Said financial information, and their use in a financial function and/or financial decision making process, is old and well known in the arts of financial management and accounting management." See Pages 21 and 22 of Examiner's Answer regarding claims 96-101.
9. "It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein to allow for any client that the inventor desired." See Pages 21 and 22 of Examiner's Answer regarding claims 102-111.
10. Establishing the scope and/or authority of an agent in a principal-agent relationship is old and well known in the art of principal-agent relationships and agency law. See Page 25 of Examiner's Answer regarding claims 131 and 132.

Appellant respectfully asks, where do any of these unsupported assertions provide any "sound technical and scientific reasoning to support" the alleged "conclusion[s] of common knowledge"? Appellant respectfully submits that no proper Official Notice was taken regarding any pending claim. For at least these reasons, Appellant respectfully submits that the assertions of the Examiner's Answer regarding compliance with MPEP § 2144.03 (c) are inapposite and, most notably, devoid of any evidence supporting any Official Notice taken regarding any rejection of claims 1-139.

Further, currently applicable case law regarding Official Notice has greater legal standing than MPEP § 2144.03 (c). For example, *In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001), states, "[T]he [USPTO] cannot simply reach conclusions based on its own understanding or experience, or on its assessment of what would be basic knowledge or common sense. Rather, the [USPTO] must point to some concrete evidence in the record in support of these findings." Appellant respectfully submits that absolutely no evidence, concrete or otherwise, supports any of the findings of Official Notice of at least the Final Office Action and the Examiner's Answer.

E. Claim 27

The Examiner's Answer asserts, regarding inherency, that "[i]n Claim 27, inherency was not utilized to state that a claim limitation was inherently present in the disclosed prior art but to

PATENT

Serial No. 09/650,733

Attorney Docket No. 1011-002

state that the motivation was inherent on the basis of the claim language, itself.”

Appellant respectfully submits that this assertion of the present Office Action admits that no *prima facie* case of obviousness has been established regarding claim 27. As stated in Appellant’s Appeal Brief, at section VII.A.7. (see that section of the Appeal Brief for supporting case citations) “the Office Action must clearly, particularly, and objectively prove some “suggestion, motivation, or teaching in the prior art that would have led a person of ordinary skill in the art to”:

“select the references”;

“select the teachings of [the] separate references”; and

“combine [those teachings] in the way that would produce the claimed” subject matter.

The Examiner’s Answer admits that the motivation for combining references to arrive at the claimed subject matter of claim 27 is “the claim language, itself”. This facially violates the requirement that such “suggestion, motivation, or teaching” must be “in the prior art”. Appellant respectfully submits that for at least this reason no *prima facie* rejection of claim 27 has been made and requests a reversal of the rejection of claim 27.

F. Arguments Regarding Applicant’s Own Work as Prior Art

The Examiner’s Answer asserts at Pages 35-36:

[I]n response to the appellant’s argument that the specification does not constitute Disclosed Prior Art, the MPEP states that when “the specification’s background of the invention describes information as being known or conventional, [it] may be considered as an admission of prior art.” *MPEP § 704.11 (a)*. Statements made by an appellant for a patent, whether in the application or in other papers submitted during prosecution, that certain matters are “prior art” to him, is an admission that such matter is prior art. The valid prior art created by the admissions can be used for any purpose including use as evidence of obviousness, whether or not a basis in 35 U.S.C. 102 can be found for its use as prior art. *Aktiebolaget Karlstads Mekaniska Werkstad v. USITC*, 705 F.2d 1565, 217 USPQ 865 (Fed. Cir. 1983); *In re Fout*, 675 F.2d 297, 213 USPQ 532 (CCPA 1982); and

PATENT
Serial No. 09/650,733
Attorney Docket No. 1011-002

In re Nomiya, 509 F.2d 566, 184 USPQ 607 (CCPA 1975).

As an initial matter, Appellant finds no provision of MPEP § 704.11(a) that supports these assertions of the Examiner's Answer. Moreover, the MPEP is legally subordinate to Federal Circuit case law.

Appellant reiterates that according to the Federal Circuit "[o]ne's own work may not be considered prior art in the absence of a statutory basis". *Riverwood International Corp. v. R. A. Jones & Co., Inc.*, 324 F.3d 1346, 66 USPQ2d 1331 (Fed. Cir. 2003). While the Examiner's Answer asserts at Page 36, that "appellant is misreading Riverwood", no evidence is provided that the holding that "[o]ne's own work may not be considered prior art in the absence of a statutory basis" is not valid law.

The cases relied upon by the Examiner's Answer do also do not support the premise for which they are used. For example, *Aktiebolaget Karlstads Mekaniska Werkstad v. USITC*, 705 F.2d 1565, 217 USPQ 865 (Fed. Cir. 1983) does not deal in any manner whatsoever with utilizing statements in an applicant's own application as prior art. No admission of prior art has been made in the present case which would render any holding of that case as apposite.

The reliance on *In re Fout*, 675 F.2d 297, 213 USPQ 532 (CCPA 1982) is also misplaced. The claims in *In re Fout* were in a "Jepson" format. The preamble of those claims was held to be admitted prior art. Appellant does not present any of claims 1-139 in a Jepson" format. For at least this reason, Appellant submits that *In re Fout* is inapposite to the present case.

The reliance on *In re Nomiya* (509 F.2d 566, 184 USPQ 607 (CCPA 1975)) by the Examiner's Answer is also misplaced. The drawings at issue in *In re Nomiya* were labeled "prior art". No such designation of "prior art" is present in Appellant's drawings, or for that matter, any portion of Appellant's application.

To reiterate, Appellant has not admitted, and does not admit, that any of the present specification is "prior art".

The Examiner's Answer provides no statutory basis for asserting that any of Appellants application is admitted prior art. For at least this reason, Appellant respectfully submits that the argument of the Examiner's answer fails to establish any legal basis for the use of Appellant's own disclosure as prior art. For at least these reasons, Appellant respectfully requests a withdrawal of each rejection of each of claims 1-139.

PATENT

Serial No. 09/650,733

Attorney Docket No. 1011-002

G. Lack of *Prima Facie* Obviousness

The Appeal Brief provides a detailed analysis explaining why no *prima facie* case of obviousness has been established regarding each of claims 1-139. The statements of the Examiner's Answer between pages 37-45 fail to provide any additional evidence regarding obviousness and fail to overcome the deficiencies of the Final Office Action. The arguments presented in the Appeal Brief stand substantially unrefuted since the Examiner's Answer fails to present any additional evidence that would establish a *prima facie* case of obviousness regarding any of claims 1-139 taken individually.

Appellant particularly notes a discussion at pages 42-43 of the Examiner's Answer that inadequately addresses Appellant's traversals of the rejections of each of claims 1-139 based upon an absence of evidence regarding a proper suggestion or motivation to combine the applied portions of the relied upon references. The Examiner's Answer asserts:

[a]s to appellant's additional arguments, appellant asserts that the examiner has failed to present even a "mere scintilla of evidence" concerning motivation or suggestion to combine (see Appeal Brief, p. 44). Examiner must once again state the Courts have stated that "[a] suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references...The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art... there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *In re Kahn*, 78 USPQ2d 1329, 1336 (CAFC 2006). Examiner asserts that based upon the implicit suggestions contained in the prior art as a whole and the specific prior art references cited, that the examiner has presented sufficiently more evidence than a mere scintilla.

Appellant respectfully submits that these unsupported assertions again fail to present the required factual analysis required under *Graham* regarding obviousness. If more than a "mere

PATENT

Serial No. 09/650,733

Attorney Docket No. 1011-002

scintilla" of evidence exists regarding a motivation or suggestion to combine the applied portions of the relied upon references, **where is that evidence?** The unsupported assertion that "the prior art as a whole and the specific prior art references cited" provide that evidence is insufficient to establish a case of *prima facie* obviousness since it does not adequately address determining the scope and contents of the prior art; ascertaining differences between the prior art and the claims at issue; resolving the level of ordinary skill in the pertinent art; and considering objective evidence indicating obviousness or nonobviousness.

For at least these reasons, Appellant respectfully submits that the Examiner's Answer does not negate the persuasive arguments of the Appeal Brief.

H. *In re Venner*

The Examiner's Answer asserts, at Page 45:

Appellant points out that *In re Venner* which stated that broadly providing a mechanical or automatic means to replace manual that accomplishes the same result involves only routine skill in the art was decided in 1958. Appellant states that due to the age and the intervening Graham test that *In re Venner* is no longer valid. Examiner asserts the opposite, (see Appeal Brief, p. 42). If the courts found that broadly providing a mechanical or automatic means to replace manual activity required only routine skill in the art in 1958 and 40 years had passed, as of the time of the application's filing, with automation and computerization making inroads into every area of our daily live, examiner is unable to ascertain how the concept of automation would be less obvious now than it was then.

As an initial matter, the assertion that "the courts found that broadly providing a mechanical or automatic means to replace manual activity required only routine skill in the art in 1958" is factually erroneous. *In re Venner* represents a holding of a single panel of a single court under a unique set of facts. It does not represent a broad holding, nor does that case provide a valid obviousness analysis under current law. Applicant respectfully asks, where in *In re Venner* is the analysis required under *Graham* regarding the scope and contents of the prior art; the ascertained differences between the prior art and the claims at issue; the resolved level of ordinary skill in the pertinent art; and the consideration of objective evidence indicating

PATENT**Serial No. 09/650,733****Attorney Docket No. 1011-002**

obviousness or nonobviousness? Appellant respectfully submits that no such analysis is performed.

Further, current Federal Circuit law indicates that it is legal error to "substitute[] supposed *per se* rules for the particularized inquiry required by section 103. It necessarily produces erroneous results." *See, In re Ochiai*, 71 F.3d 1565, 1571, 37 USPQ2d 1127, 1132-33 (Fed. Cir. 1998); *In re Wright*, 343 F.2d 761, 769-770, 145 USPQ 182, 190 (CCPA 1965). Yet regarding the present application, the Office Actions and the Examiner's Answer eschew that required particularized inquiry in favor of an invalid *per se* rule based upon *In re Venner*. Appellant respectfully asks, why, if *In re Venner* is still valid law for the premise upon which it is relied upon by the Office Actions and Examiner's Answer regarding the present Application, has *In re Venner* never been cited a single time by the Federal Circuit (or its predecessor court) for that premise in the 48 years since the *In re Venner* opinion was written? Appellant respectfully submits that *In re Venner* cannot properly be used in support of a *per se* rule that negates the particularized inquiry required by 35 USC section 103 as explained by *In re Ochiai* and *In re Wright*.

Appellant respectfully submits that the discussion regarding *In re Venner* in Pages 45-47 of the Examiner's Answer is legally and factually erroneous and fails to provide an adequate legal basis for any claim rejection.

I. Arguments Regarding Heath and Stein as References

Appellant notes a discussion regarding traversals of the use of Heath and Stein as references regarding the claimed subject matter in the Examiner's Answer between pages 47 and 48. Appellant respectfully notes that only unsupported assertions are provided, and notably no additional evidence is presented, regarding why one skilled in the art would select the applied portions of Heath or Stein for combination with the remaining applied portions of the other relied upon references to arrive at the claimed subject matter.

J. Arguments Regarding Claims 1-139

In the Appeal Brief Appellant presented a detailed analysis, between pages 35 and 294, demonstrating an absence of any *prima facie* case of obviousness for each of claims 1-139. The

PATENT**Serial No. 09/650,733****Attorney Docket No. 1011-002**

present Office Action fails to address these arguments in detail and thus fails to overcome the deficiencies of the at least the Final Office Action regarding any of the claimed subject matter. For at least these reasons, Appellant respectfully requests a reversal of each of the rejections of each of claims 1-139.

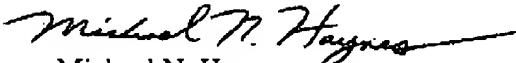
SUMMARY

In view of the above, Applicant submits that all claims on appeal are patentable over the cited art and respectfully requests that the Board of Patent Appeals and Interferences reverse the rejections of claims 1-139 and direct that the application be passed to issue.

The Office is hereby authorized to charge any additional fees or credit any overpayments under 37 C.F.R. §1.16 or §1.17 to Deposit Account No. 50-2504. The Examiner is invited to contact the undersigned at 434-972-9988 to discuss any matter regarding this application.

Respectfully submitted,

Michael Haynes PLC



Michael N. Haynes
Registration No. 40,014

Date: 11 January 2007

1341 Huntersfield Close
Keswick, VA 22947
Telephone: 434-972-9988
Facsimile: 815-550-8850